



The California Managed Risk Medical Insurance Board

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Date: November 21, 2001

To: All Health, Dental, and Vision Plans participating in the Health Families Program (HFP)

Other Interested Parties

From: Mauricio E. Leiva, Manager
Rural Health Demonstration Projects

Subject: HFP Parental Coverage Expansion Rural Health Demonstration Projects

This notice provides information regarding the HFP Rural Health Demonstration Projects (RHDP) for parents.

On October 17, 2001, the MRMIB released a solicitation package seeking proposals from health, dental, and vision plans participating in the HFP for the purpose of improving access to parents enrolled in the HFP in rural areas. This solicitation was issued contingent upon federal approval of the State's 1115 Demonstration Waiver Request and upon the availability of state funds for the program. Recent events have dictated that the RHDP Parental Coverage Expansion project be delayed.

California is facing a steep decline in state income. The State is facing serious fiscal challenges in the current year - and possibly in the budget year. The Governor has asked the Legislature to convene an Extraordinary Session in January to review the budget and proposed current year reductions. In addition, the Governor has asked the Legislature to delay the HFP parental coverage expansion until July 2003. Consistent with this, we are suspending further work on the HFP Parental Coverage RHDPs until further notice.

Please note that no change has been made nor is any proposed for the children's portion of the HFP Rural Demonstration Projects.

Thank you for your continued interest in the HFP and in the RHDPs. Please accept our apologies for any inconvenience this change in schedule may cause you or your organization or business partners. We will be in contact with you, once it is time again to solicit proposals for the RHDP parental coverage expansion projects.

If you have any questions regarding this matter, please call me (916) 445-2107.